

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5024

ANSWERED ON:31.03.2017

New Strategy to Combat Fraudulent Companies

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Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has devised any new initiative on the mandatory provisions for private limited Chit and Finance Companies in the country;
- (b) if so, the details thereof and the complete list of Chit and Finance Companies committed serious fraud and cheating during the last three years and the current year, State/UT-wise;
- (c) the total amount involved in each case; and
- (d) whether the Government has chalked out any strategy to involve any special investigation agencies or audit firms to look into the affairs of such serious fraud and cheating committed by the Chits and Finance Companies in the country and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE (SHRI ARJUN RAM MEGHWAL)
MINISTRY OF CORPORATE AFFAIRS

(a) to (d): Chit fund companies are registered and regulated under Chit Fund Act, 1982 and administrated by the State Governments.

The Government has received certain complaints regarding cheating of small investors, by the companies involved in Ponzi/Chit Fund/Multi Marketing activities. The Ministry of Corporate Affairs has ordered investigation through Serious Fraud Investigation Office (SFIO) into such companies, as per the list at Annexure-I.
